ICS-77-6341

13 September 1977

MEMORANDUM FOR: John N. McMahon
Acting Deputy to the DCI for the
Intelligence Community

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FROM:

Director, Office of Policy and Planning

SUBJECT: Concept for Reorganization of the IC
Staff

1. The attached concept paper is an examination of the functions which may be assigned to the residual IC Staff following reorganization of the DCI's "house" in accordance with the multiple deputy concept. The paper points out that the anticipated offices of the Deputies for Collection and Production will be largely handling "line" functions and that there will be a need for clear designation of one deputy for Community "staff" functions (other than those assigned to the Office of the DCI). It suggests that the residual IC Staff would logically encompass resource, evaluation and management functions. Using an input/output approach, it recommends establishment of three directorates:

-- Program and Budget Development;

-- Cost Effectiveness and Systems Analysis;

-- Strategy, Objectives, Plans and Management Systems.

2. I recommend that we convene a small task force within the IC Staff to develop a plan for the staff reorganization in accordance with the concepts suggested to include:

-- Detailed statements of office functions and missions;

--   Determination of staff personnel require-
     ments;

--   Recommendations for DCI decisions.

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Attachment
As stated

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PURPOSE

This paper presents a concept and approach for the reorganization of the IC Staff consistent with the DCI's reorganization of Community and Agency functions.

ASSUMPTIONS

1. The DCI will have a Deputy for Production who will handle all Community matters related to National Intelligence production.

2. The DCI will have a Deputy for Collection who will handle all matters related to Community collection. Personnel resources assigned to the SIGINT, COMIREX, and Human Resource Committees will be transferred to the Deputy for Collection.

3. The DCI will have a Deputy to handle CIA matters.

4. The DCI will have a Deputy who, for the purpose of this paper, shall be called the Deputy for Resources Evaluation and Community Management.[1]

5. Legislative Affairs and General Counsel will be attached directly to the office of the DCI, as will the Inspector General and Auditing function.

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1. All office titles in this paper are aimed at making the function clear as opposed to providing a title which has visual brevity and aesthetic qualities.

IRRESOLUTIONS

The DCI has asked Jack Blake to look at whether the DDA can be placed directly under the DCI to provide support to everyone in the Intelligence Community who needs it.[2] This implies a recognition that the DCI lacks a vice-president for Community support, a key line function which must cope with such critical Community problems as communications and automated data processing.

If a Community manager for support is established, an additional assumption would be that the DCI Information Handling Committee now located in the Office of Policy and Plans, IC Staff would be transferred to the support function manager.

A second irresolution in the same context concerns the current Support Staff within the IC Staff. These functions could also be transferred to the Community support function manager if he were to be established. This is an additional assumption of this paper.

2. Memorandum from the DCI dated 24 August 1977, Subject: Structure of the Intelligence Community.
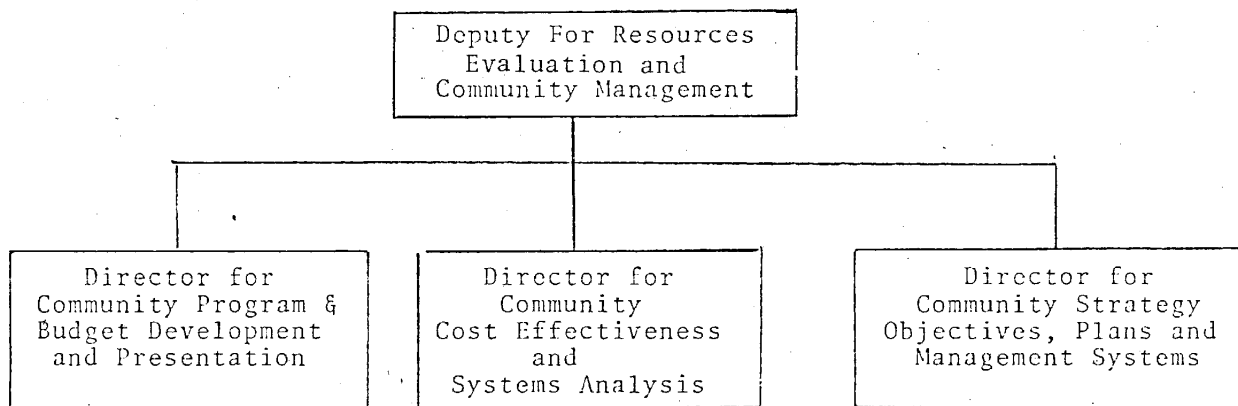
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BASIC CONSIDERATIONS

The DCI is establishing Community-level management over the line functions of Collection, Production, and, ideally, Support, as indicated above. The remaining Community function to be fulfilled is not a line function. Rather, it is the corporate staff function of Community management. As in the instance of any corporate staff, the basic functions of the Deputy for Resources Evaluation and Community Management are related to providing the overview across primary line functions and the areas of management interface. Key to this corporate staff function is:

      1. Budget development, implementation, and presentation.

      2. Cross program cost-effectiveness and systems analysis to aid the decisionmaker in choosing and justifying courses of action.

      3. Establishment of objectives, corporate strategy, and priorities (to include corporate planning, guidance, management analysis, and the maintenance and preparation of DCI management directives and procedures).

The following discussion considers these three key staff functions in terms of inputs and outputs required to fulfill the DCI's responsibilities for providing guidance and direction to line resource managers (NSA, etc.)

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The diagram which follows presents the organizational approach proposed and the following paragraphs explain it in broad terms. For each of the three offices reflected in the diagram, the attached charts display the inputs (and related sources) for each office, as well as the outputs and to whom they go.

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DEPUTY TO THE DCI FOR RESOURCES EVALUATION AND COMMUNITY MANAGEMENT

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                    ┌─────────────────────────┐
                    │   Deputy For Resources  │
                    │     Evaluation and      │
                    │   Community Management   │
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Director for Community Program & Budget Development and Presentation	Director for Community Cost Effectiveness and Systems Analysis	Director for Community Strategy Objectives, Plans and Management Systems

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DEPUTY FOR RESOURCES EVALUATION AND COMMUNITY MANAGEMENT (D/DCI/RCM)

There are a number of special staff functions reporting directly to the DCI, such as Legislative Affairs, Legal Counsel, and IG. Intelligence Community resource and overall management staffing is the basic responsibility of the D/DCI/RCM.

The immediate office of the D/DCI/RCM should include:

1. An office for the associate deputy and executive function.

2. An administrative office, the size of which should be dependent upon whether the Community support function is assumed by a DCI deputy.

3. The office of the Chairman of the DCI Security Committee.

4. The NFIB Secretariat.

5. The Executive Director and Secretariat of the IR&DC.

6. The RCM Data Support Staff: This function includes data and data processing support to all directorates within RCM. Alternatively, the Data Support office could be assigned to the Program Budget office (as executive agent), and charged with supporting all RCM offices. However, under the latter option care should be taken to assure that Data Support Staff resources are adequate to support the requirements of all RCM directorates.

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OFFICE OF THE DIRECTOR FOR COMMUNITY PROGRAM AND BUDGET
DEVELOPMENT AND PRESENTATION (OPBDP)

This office under the D/DCI/RCM supports the DCI and
his National Foreign Intelligence Board in controlling and
coordinating the development of the National Foreign
Intelligence Program Budget (NFIPB). It also prepares the
NFIPB for submission through OMB, to the President and the
Congress, and undertakes the processing of such NFIPB
reprogramming as is necessary.

Major Inputs to OPBDP and Their Sources are:

1. Constraints - basic fiscal guidance for program
and budget levels, ZBB procedures and formats, special
guidance, issue identification, etc., (from OMB).

2. Component Programs & Budgets - recommended programs
in response to guidance and directives (from program managers).

3. Cost-Effectiveness Analyses - systems analyses and
other studies (from the Office of Community Cost-Effectiveness
and Systems Analysis, RCM)).

4. Perspectives for Planning & Programming - Community-
coordinated DCI objectives, strategy, and long-range implica-
tions related to the program period (from the Office of the
Director of Community Strategy, Objectives, Plans and
Management Systems (OSOPMS)).

5. DCI and NFIB Guidance - policy positions and results
from NFIB review of the NFIPB and related aspects.

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Major Outputs of OPBDP are:

    1. Program and budget guidance for the Community.

    2. The NFIP program/budget for OMB, the President and the Congress.

    3. Relay of requests for issue studies to the Office of Cost-Effectiveness and Systems Analysis (based on requests from OMB and recommendations evolving from program/budget review).

OFFICE OF THE DIRECTOR FOR COMMUNITY COST-EFFECTIVENESS AND SYSTEMS ANALYSIS (OCESA)

This office is responsible for undertaking, coordinating or monitoring and/or production of all studies, analyses and evaluations in support of operational and program/budget areas. Although many studies and performance evaluations are delegated to or accomplished within functional areas (production, collection, etc.), this office conducts multifunctional studies/evaluations and coordinates/monitors all others in support of the DCI and the NFIPB.

The Major Inputs to the Office are:

    1. Requests for studies/analyses-(From the DCI, from OPBDP, NFIB and others.)

    2. Functional performance evaluations - (From other deputies to the DCI, from program managers and from other members of the Intelligence Community.)

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3. <u>Investment and R&D proposals</u> - (From members of the Community or arising out of program/budget development or review.)

4. <u>Fiscal Constraints</u> - (From OMB, the DCI, OPBDP, or NFIB.)

5. <u>Strategy and objectives</u> established by:

    a. Overall guidance developed by the Office of Strategy, Objectives, Plans and Management Systems.

    b. Specific guidance established by the DCI, NFIB or ad hoc review.

<u>Major Outputs of OCESA are:</u>

1. <u>Cost-effectiveness and/or system analyses</u> in support of programming and budgeting.

2. <u>Operational assessments</u> based on performance evaluations, review and analysis of investment/R&D proposals.

    a. In response to requests from DCI, NFIB or others.

    b. On own initiative to support periodic overall assessments.

<u>OFFICE OF THE DIRECTOR FOR COMMUNITY STRATEGY, OBJECTIVES, PLANS AND MANAGEMENT SYSTEMS (OSOPMS)</u>

This office is responsible for the development and promulgation of overall Community strategy and objectives, as well as general plans involving more than one functional area or more than one member of the Community. It is also

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responsible for the development and maintenance of DCI and Community management systems.

The Major Inputs to the Office are:

1. Consumer needs as expressed by intelligence users at all levels and as translated into intelligence issues, substantive intelligence requirements and related priorities.

2. Management needs as expressed by the President, the Congress, the DCI, NFIB and others within the Community, including those identified through contractual assistance.

3. Policy positions and broad guidance established by the President, Congress, DCI, PRC, SCC, NFIB or others.

4. Component plans and programs as developed by members of the Community, program managers, other deputies to the DCI, NFIB, DCI committees, and other departments and agencies (example: NASA).

5. Analyses of management systems conducted by other deputies to the DCI and members of the Community.

The Major Outputs of this Office are:

1. An intelligence strategy for the Intelligence Community. This periodically updated document would set forth the overall parameters within which the Community intends to operate.

2. The DCI and Community goals and objectives. Broad statements which highlight the substantive and management

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emphasis for the coming fiscal year and provide a yardstick for measuring overall performance.

3. <u>Management directives and analyses</u> which constitute the DCI's amplication and review of the intelligence mission of the Community. These directives and the results of analyses establish policies and provide the basis for the operation and improvement of broad management systems and operating procedures.

4. <u>Corporate plans and guidance</u>. A family of planning and guidance documents for the current, mid- and long-range providing a Community-wide perspective as a basis for current activity and projection of operations into the future.

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OFFICE OF THE DIRECTOR FOR COMMUNITY PROGRAM
& BUDGET DEVELOPMENT AND PRESENTATION (OPBDP)

INPUT	SOURCES
1. OMB Constraints	1. OMB
2. Component Programs and Budgets	2. Program managers
3. Cost-Effectiveness Analyses	3. Office of Community Cost-Effectiveness and Systems Analysis
4. Perspectives for Planning and Programming	4. Office of Community Strategy, Objectives, Plans, and Management Systems
5. DCI and NFIB Guidance	5. DCI and NFIB

OUTPUT	CONSUMERS
1. Program and budget guidance	1. Program managers
2. NFIP/NFIB	2. OMB, President, Congress
3. Requests for issue studies	3. Office of Cost-Effectiveness and Systems Analysis

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OFFICE OF THE DIRECTOR FOR COMMUNITY COST
EFFECTIVENESS AND SYSTEMS ANALYSIS (OCESA)

INPUT	SOURCES
1. Requests for Studies/analyses	1. DCI, OPBDP, NFIB
2. Functional performance evaluations	2. Other Deputies to the DCI and members of the Community
3. Investment and R&D proposals	3. OPBDP, Program managers DCI Committees
4. Fiscal constraints	4. OMB, DCI, OPBDP, or NFIB
5. Strategy and objectives	5. Office of Strategy, Objectives, Plans and Management

OUTPUT	CONSUMERS
1. Cost-Effectiveness and/or system analyses	1. OPBDP, NFIB, DCI, other Deputies to the DCI
2. Operational assessments	2. DCI, NFIB, Program managers, other Deputies to the DCI.

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OFFICE OF THE DIRECTOR FOR COMMUNITY STRATEGY,
OBJECTIVES, PLANS AND MANAGEMENT SYSTEMS (OSOPMS)

INPUT	SOURCES
1. Consumers needs	1. PRC, D/DCI Production
2. Management needs	2. President, Congress, DCI, NFIB
3. Policy positions	3. President, Congress, DCI, PRC, SCC, NFIB
4. Component plans and programs	4. NFIB, program managers, other Deputies to the DCI, DCI Committees
5. Analyses of management systems	5. Other Deputies to the DCI, members of the Community

OUTPUT	CONSUMERS
1. Intelligence Strategy	1. Congress, Intelligence Community, Other Deputies to the DCI, DCI Committees
2. DCI and Community goals and objectives	2. Members of the Community, Program managers, Other Deputies to the DCI, DCI Committees
3. Management directives and analyses	3. DCI, NFIB, other Deputies to the DCI
4. Corporate plans and guidance	4. Members of the Community, Program managers, Other Deputies to the DCI

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